



USAID-COMPETE PARTNER FUNDING SUPPORT TO EAGC

QUARTERLY REPORT- JULY TO SEPTEMBER 2011

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1. Introduction

This report from Eastern Africa Grain Council (EAGC) is for the period of July to September 2011 covering the achievements under USAID-COMPETE funding support to EAGC. The Grant is aimed at strengthening institutional coordination and regional structured grain trading system through integrated regional market information systems, policy and reduced barriers to trade. The objectives of the entire Grant are as follows:

1. To facilitate institutional strengthening to enable EAGC to deliver services to its stakeholders across the region with a particular emphasis on strengthening the capacity of satellite offices in Uganda and Tanzania.
2. To formalize regional agricultural markets and structured trade systems in the Eastern and Southern Africa region through training of trainers in harmonized grains standards, rules of trade (tariffs, simplified certificate of origin (SCO), Sanitary and Phytosanitary Standards (SPS), WRS/Commodities Exchanges and dispute resolution.
3. To expand RATIN into a truly regional market information platform that integrates national MIS providers and provides timely and accurate data and analysis to all value chain participants and is the region's preferred source of market information.
4. To hold a successful Grain Trade Summit in Uganda in October 2011 to discuss the systems required to formalize, strengthen and integrate the regional staple foods value chain, increase stakeholder participation in structured trading systems and promote regional trade and food security.
5. To organize Agribusiness Fairs in Kenya and Tanzania to bring small-scale farmers and FBOs together with leading regional traders and processors to build linkages across the value chain.
6. To engage directly with national governments in the EAC to ensure full adoption and institutionalization of the EAC's harmonized grains standards.

2. INSTITUTIONAL STRENGTHENING

Through the funding from USAID-COMPETE, the EAGC offices in Uganda, Tanzania and Kenya were operational. Through this support, EAGC intensified its membership recruitment drive. This led to registration of EAGC Rwanda chapter. Seven organizations had shown interest in joining the membership and follow-ups are being made. In Burundi, EAGC held a meeting with Chamber of Commerce on 27th Sep 2011. Six (6) organizations are willing to join EAGC.

EAGC is also in the process of formalizing relationships with organizations that will serve as national level focal points in Uganda and Tanzania as follows:

- Partnership between EAGC and FAO Southern Highlands Project in Tanzania on STS
- Partnership between EAGC and Tanzania Warehouse Licensing Board (TWLB) on WRS in Tanzania
- Partnership between EAGC and Techno Serve in Tanzania on WRS & MIS issues in Tanzania
- Partnership between EAGC and Agri-profocus MIS service providers in Uganda

3. PROGRAM ACTIVITIES AND ACHIEVEMENTS

3.1. MARKET INSTITUTIONS ESTABLISHED AND STRENGTHENED

○ Support to Warehouse Receipt System

(i) Development of the Warehouse Receipt Legal & Policy Framework for Kenya

The WRS Task Force mandated to drive the process of establishing a WRS legal and regulatory framework has finally submitted its deliverables. Through its co-chairs, Victor Gitobu (representing EAGC) and Anne Onyango (Ministry of Agriculture), the following were submitted to the Permanent Secretary- Ministry of Agriculture on 29th August 2011:

- Draft WRS bill
- Draft Rules & Regulations
- Summary of the Transitional Issues

The future plans are:

- (i) Hold a validation workshop with stakeholders jointly with Ministry of Agriculture. This is meant to gather final comments from stakeholders then validate the documents.
- (ii) Submit the WRS bill to Parliamentary Committee on Agriculture for review and pass it through the Kenya parliamentary process in order to establish a comprehensive WRS Act.

(ii) Support to WRS activities in Tanzania

EAGC is partnering with TWLB to support harmonization of rules and protocols for WRS operations in Tanzania. EAGC facilitated monthly WRS working group meeting on 20th July 2011 in TWLB offices where the ToR for a consultant to review challenges affecting TWLB as an institution and WRS in general was discussed. It's expected that resolutions from the Working Groups to lobby for review of WRS Act among other issues related to WRS will be documented.

(iii) Promotion of WRS in Uganda

EAGC and UCE agreed to jointly promote the use of WRS in Uganda. A meeting was held on 10th August 2011. This was meant to explore ways of supporting UCE in promoting WRS and COMEX in Uganda. EAGC plans to build the capacity of Warehouse operators and brokers attached to UCE. EAGC will boost the UCE's market information particularly the offers and bids on the trading floor among other activities. MOU has been drafted for signing in October 2011.

3.2. Agricultural Information Generation, Dissemination and Networking Systems Strengthened

(i) Enhance EAGC information and RATTIN Dissemination

EAGC has continued to develop the weekly price analysis reports and disseminated report to members and key stakeholders in the region. The current database which is used to send to subscribers is at 2,300. EAGC has also developed a system of analysing daily news on the grain sector and sending the weekly news round up from all the EAGC countries to all members and stakeholders.

(ii) Regional Harmonisation of Data collection methodologies

EAGC commissioned a consultant to review and develop the regional data collection and harmonisation protocols. This activity was funded through the partnership with RESAKSS and is in partnership with the Market Access Working group (MAS) of the Food Security and Nutrition working group (FSNWG).

(iii) Engage additional Border Monitors to cover more border posts, markets and commodities (UG, TZ, BRD)

During the quarter EAGC carried out interviews of Data Monitors in Uganda, Burundi and Tanzania. To this effect 3 market monitors have been engaged in all the three countries. The exercise also led to identification of MIS officers who were also engaged to ensure market and border monitoring and access to quality data on RATIN. In total RATIN now covers 35 Markets in Kenya, Rwanda, Uganda, Burundi, Tanzania and South Sudan.

(iv) Review and launch of RATIN Network as the Regional MIS Leader, and develop centralised server and back end services designed for the future.

Plans to review RATIN have been undertaken in the quarter. A technical staff meeting was held to thoroughly review the process and requirement of upgrading and overhaul of RATIN. A proposed process has been developed and NEW RATIN process flow mapped.

(v) Improve EAGC MIS Dissemination Channels to various end Users (tailor made services to farmers, traders, members etc.) including use of SMS, Weekly Newsletters, Quarterly Newsletter, Radio, TV, Newspapers, Market Boards, (UG, TZ, KE)

EAGC has so far developed 2 issues of the grain newsletter. The first one was developed in July 2011, and the next issue has been published in October 2011. During the quarter EAGC participated in both print and visual media in the region. The print mentions in the newspapers were 9 in all the countries, with 3 interviews done in the last week, which will be published in the newspaper. TV mentions EAGC has been covered extensively on the NTV (Kampala and Nairobi) and KBC all with regional coverage.

Printing and Publishing of Regional Promotional Materials, Brochures, Calendars, Fliers and Banners were done as well. EAGC harmonised the EAGC corporate banners and printed 3 banners each for the three country offices.

EAGC restructured the Library into a fully fledged computerised library to offer technical support to staff and members.

(vi) Regional and National Level MIS workshops

EAGC during the quarter co-hosted the 2nd MIS workshop in Uganda in partnership with Agri-profocus (a consortium of 14 MIS service providers in Uganda). EAGC also signed an MOU with the team to begin networking and to allow for cordial execution of activities to improve access to market information in the region. EAGC also participated in a National MIS providers meeting in Bujumbura, Burundi in conjunction with the Ministry of Agriculture Burundi, Institute of Science and Technology and ASARECA.

(vii) Regional Food Balance Sheet

During the period EAGC held meetings and formed national food balance sheet committees to coordinate the data collection and input to the national food balance sheet. The Committee are hosted the country's Ministry of agriculture and EAGC country offices. A meeting to support aggregation of the regional food balance Sheet was held in Arusha and the first regional food balance sheet was developed. The process has been embraced by the ministerial committee of the EAC, which also gave recommendation to increase the crops covered under the food balance sheet.

(viii) Field review and Assessment of data collection points

EAGC carried out field visits and reviews to the various markets and border points to carry out an assessment of the market information provided by the border monitors. The field trip was held in Namanga, Arusha, Loitoktok and Nairobi markets. A report on the situations and recommendation has been drafted and will support streamlining of the marketing information relayed on RATIN.

(ix) Development of Policy Papers

EAGC has developed a policy paper on the proposal for support of imports of Yellow maize in Kenya to substitute the maize shortage.

3.3. Grain Value Chain Stakeholder Capacity Built

(i) STS Training of Trainers (TOT) in Uganda

EAGC with the support from USAID-COMPETE organized a one day Training of Trainers (TOT) workshop on Structured Trading Systems (STS) at Dolphine Suites-Kampala on 10th August 2011. Participants were drawn from the various agribusiness stakeholder organizations from all over the country. These are participants who have vast experience in training small holder farmers (at the grass roots level) on different aspects.

40 participants representing various farmer groups, traders, processors/millers, warehouse operators, government and non Governmental organizations (NGOs) were selected among the many applicants that submitted applications to be trained by EAGC.

This workshop was organized in an effort to address various challenges encountered by stakeholders- right from production to marketing grain in the region. Considering the free trade that exists in Uganda, there exists a vacuum as there is no proper linkage between the producers and buyers in terms or rules, standards and all other aspects that contribute to a structured trading system as identified below:

- Lack of well defined rules and regulations to trade,
- Lack of standards for grains and food staples
- Poor linkages between producers and buyers of grains
- Lack of timely and accurate market information that could spur trade flows from
- Surplus to deficit areas.

The training was in line with the mandate of EAGC which is to develop, promote, and influence Structured Grain Trading System (STS) in the Eastern Africa region with defined rules and regulations

and improve the policy and trading environment in the Eastern Africa regional grain trade, strengthen market linkages and reduce the constraints along the grain value chain.

The objective of the workshop was to equip trainers with training skills in the following aspects of structured trading systems and be able to train farmers and traders at different levels all over the country:

- Post Harvest Management and Storage
- Standards and grading (EAC Maize standards)
- Warehouse Receipts and Commodity Exchange
- Market information sourcing and dissemination for trade purposes
- Use of Trade Contracts
- Arbitration procedures for trade dispute resolutions

The workshop was facilitated by Harriet Nabirye, the Country Manager who welcomed participants and took them through a session of brief introductions. It was then made clear that selection of the participants was widespread.

The following were the main facilitators of the workshop:

- Gerald Masila, EAGC
- Harriet Nabirye, EAGC
- Herbert Kirunda, Techno Serve Uganda
- Hakim Mufumbiro, Uganda National Bureau of Standards.
- Christian Baine, Coronet Group
- Ian Goggin, USAID COMPETE
- Janet Ngombalu, EAGC
- Samuel Rutto, EAGC

The facilitators used a combination of approaches such as power-point presentations and interactive sessions of question and answer were allowed at the end of each presentation. EAGC training manuals were distributed to all participants.

3.4. Annual Agribusiness Fairs

a) The 9th EAGC Agribusiness Fair in Kenya

The 9th Agri-business Fair took place on the 28th-29th July, 2011 at the Rift Valley Institute of Science and Technology (RVIST) with joined efforts between the three partners EAGC, CGA and RVIST. The theme for this year's fair was "*Enhancing Returns on Agribusiness Investment; Opportunities & Challenges*". EAGC received funding from USAID-COMPETE and SIDA to conduct the event.

The Fair brought together a wide range of stakeholders in the agricultural sector from all over Kenya including farmers, traders, millers, input suppliers and service providers such as banks, insurance companies, warehouse operators as well as government agencies, research institutions, international and national organizations operating in the Eastern Africa region and the general public.

The fair showcased a wide range of innovative products and services in agribusiness and to bring together participants to exchange views on risk mitigation, aggregation of commodities for economies of scale, market linkages, research & bio-technology, post-harvest technologies, ICT and market information access.

There were 65 exhibitors including private companies, banks, educational institutions and organizations who displayed their products and services during the two days. More than 7000 farmers visited the fair and benefited from linking with the exhibitors, visiting the demonstration plots and participating in training given by EAGC and other organizations. In addition, invited guests attended the fair during both days. The event received crucial financial support in form of sponsorship from Unga Ltd, Commercial Bank of Africa and Unga Farm Care E.A. Ltd.

The Annual Agribusiness Fair creates an effective forum where farmers get an opportunity to learn about different ways to improve crop and livestock production and this year was no exception. The two days at RVIST in Nakuru managed to repeat the successes of previous fairs and contribute to building the capacity of various stakeholders in the agricultural sector.

b) Preparation for Annual Agribusiness Fairs in Tanzania and Uganda

The preparation for the Agribusiness Fairs slated for first week of June 2012 in Arusha, Tanzania and last week of June 2012 in Lira, Uganda are underway.

In Tanzania, EAGC will be forging partnerships with Selian Agricultural Research Institute (SARI) the MOU between EAGC and SARI was developed and submitted to SARI for review. Signing of the MOU will be done in Oct.2011. The Project Assistant was also recruited to handle the Agribusiness Fair with the Event Manager who was identified. The Event Manager will be engaged in October 2011.

In Uganda, EAGC visited the Ngetta Zonal Agricultural Research & Development Institute (NGEZARDI) for survey of possible venue for the Agribusiness Fair in Lira. EAGC sought partnership with the institute to host the Fair. MOU between EAGC and NGEZARDI is being drafted.

3.5.African Grain Trade Summit

The 4th African Grain Trade Summit will be held at the Speke Resort, Munyonyo, Kampala the 13th and 14th of October 2011. The theme of the Summit is: *Accelerating growth in grain trade: opportunities for strategic partnership and investment*. It will bring together policy makers, researchers, business players and other stakeholders along the grain value chain as well as development partners and other players from across the globe.

The planning of the Summit is ongoing and important progress has been made. The technical committee has had three meetings since July where issues concerning the summit theme, session topics, speakers, responsibilities of technical committee members, composition of the host country committee, media partners etc. have been discussed. The management team, consisting of EAGC staff and the event coordinator, is meeting every Monday.

EAGC expects about 250 delegates to participate in the summit. By September 30th the number of registered delegates was 124, however the registrations continue to come in and a substantial number of delegates are anticipated to register on site.

So far the summit has 15 sponsors, these are as follows: USAID/COMPETE Program; Intertek Commodities; Kilimo Trust of East Africa; Stanbic Bank (U) Ltd; SEABOARD Overseas Kenya Ltd; Cereal Growers Association; ACDI/VOCA; ABI Trust; Orion East Africa; Cimbria East Africa; Askar General Merchandise Ltd.; Smith & Bolton; Audit Control & Expertise; Brazafric Enterprise (U) Ltd and Norfund.

The program has been finalized and consists of interesting combination of speakers. HE the President of the Republic of Uganda Yoweri Museveni will be opening the summit accompanied by other dignitaries including Hon. Minister of Agriculture, Animal Industry & Fisheries, Tess Bucyanayandi as well as representatives from EAC, COMESA, African Union, USAID East Africa and EAGC. The opening speech will be held by James Wild from Louis Dreyfus Commodities. The summit closing will be attended by Honourable Amelia Kyambadde, Minister of Trade.

Following the opening ceremony the program has 6 sessions:

- *The Impact of Policy on Grain Trade in the Region* chaired by Stephen Njuka (AGRA). Speakers: Federica Angelucci (FAO), Paswel Marenja (IFPRI) and *Nega Wubeneh (AGRA)*
- *The role of trade in enhancing food security* chaired by Bruce Smith (IFDC). Speakers: *Annastacia W. Kivuva (MoA), Andrew Muganga Kizito (Makerere University), Hellen Ommeh-Natu (Nile Basin), Nuhu Hatibu (Kilimo Trust of East Africa) and John Jagwe (WFP)*
- PANEL DISCUSSION - *Towards establishing Structured Grain Trade: progress and future expectations (ie. harmonized standards, WRS, commodity exchanges)* chaired by Steven Humphreys, USAID/COMPETE. Speakers: Ian Goggin (USAID/COMPETE Program), Alex Rwego (Uganda Commodity Exchange), Eleni Gabre-Madhin (Ethiopia Commodity Exchange), Kefer Kuchana Kateu (Chemiphar), Leonela Santana-Boado (UNCTAD)
- *Financing African Grain Trade: overcoming the challenges* chaired by Victor K. Gitobu (USAID/COMPETE). Speakers: *Christian Baine (Coronet Group), Amos Tumwesigye (Audit Control and Expertise), Richard Wangwe (Stanbic Bank), Amon Anderson (ACUMEN Fund)*
- *Developing the Grain Value Chains: opportunities for investment (i.e. storage, drying, alternative grains – value chains)* chaired by Aida Kiangi (ACTIONAID). Speakers: *Shemmy Simuyemba (USAID/COMPETE), Raymond Mnenwa (Research on Poverty Alleviation), Tom De Bruin (Grain Pro Inc.), Sophie Walker (ACDI/VOCA)*
- *Five Years Later: Accelerating Grain Trade and Building Partnerships* chaired by Chris Muyunda (ACFEX). Speakers: *Anne Mbaabu (AGRA), Chris Donohue (USAID/COMPETE), Gerald Makau Masila (EAGC)*

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